

**Saline County Regional Solid Waste Management District**

**Regular Board Meeting**

**February 19, 2014**

**Board Members Present:** Mr. Jim Erwin; Dr. Don Brashears; Mr. J.R. Walters; Judge Fite; Mayor Jeff Arey; Bob McKeon.

**Others Present:** Mr. Shane Knight, Operations Manager, Saline County RSWMD; Ms. Tiffany Dunn, Marketing Coordinator, Saline County RSWMD; Mr. Michael Grappe', Executive Director, Saline County RSWMD; Mr. Sam Ed Gibson, Attorney Saline County RSWMD; Ms. Stacy Edwards, Inter-District Waste Tire; Jordan Woolbright, Woolbright and Associates; Mr. Zeke Jones, Yoakum & Lovell.

Mayor Arey called the meeting to order and asked everyone to sign in.

**Reading of Minutes from January:** Mayor Arey stated the first order of business was the reading of minutes from the January meeting. Mr. Bob McKeon made a motion to approve the Regular Board Meeting minutes from January. Mr. Walters seconded the motion. All were in favor and motion passed with no opposition.

**Reading of Financial Statement and Financial Position from January-Jordan Woolbright:**

Mr. Woolbright stated that the Operating Account had a beginning balance of \$497,425.64 and an ending balance of \$428,933.42, the Revenue Account had \$1,778,241.48, the Recycling Account had \$183,104.97, and the Investment Account ended with a balance of \$2,009,197.64. Mr. Woolbright stated that the total cash and cash equivalents are \$4,399,477.51. Mr. Woolbright stated that the prior month's total cash and cash equivalents total was 4,416,226.40. Mr. Woolbright stated that on the operations detail report he allocated some expenses in the month of December in categories such as office expense, and the grants provided category. Mr. Woolbright stated that moving into January the Apers contribution in both employee and employer contribution. Mr. Woolbright stated that the HHW expenses were \$3,275, Insurance was \$2,355.08, Misc. \$1,234.51. Mr. Woolbright stated that as you move on down to Salary/Wages you will see an uptick because we paid at the end of January the severance package to the Recycling employees and the first of January we paid any unused accrued sick leave per the personnel policy. Mr. Woolbright stated that Labor Finders was also included in that which also ended at the end of January. Mr. Woolbright stated that the District Operation Total was 68,678.56 to employees. Mr. Walters asked about the sick leave pay. Mr. Grappe' stated that it's in our policy that was approved 2 years ago. Mr. Grappe' stated that employees accrue 96 hours per year. Mayor Arey asked if any unused sick leave is paid at the end of the year. Mr. Grappe' stated that is correct. Mr. McKeon asked if we are still reimbursing for the tarp law. Mr. Woolbright stated that those checks came in the first of January and yes we are. Mr. Knight stated that we did the tarp enforcement at the end of January and February. Mr.

McKeon asked if they get the fine in Bauxite. Mr. Knight stated that is correct. Mr. Grappe' stated that our focus is on illegal haulers. Mr. Grappe' stated that if we feel that they meet the requirements of a hauler then we are issuing them a citation. Mr. Grappe' stated that our direction to the Bauxite Police Department is to issue warnings and not citations. Mr. Erwin asked how many employees we have now. Mr. Grappe' stated that we have 3 employees. Mr. Woolbright moved on to the Custom Transaction Detail Report. Mr. McKeon asked if the Saline County Landfill was for a clean-up. Mr. Grappe' stated that we are paying disposal for Civitan, Helping Hands, Habitat for Humanity, Boys and Girls Club, and the City for the FEMA housing. Mr. Grappe' stated that there was a FEMA house in December. Mr. Grappe' stated that another reason why that is up is because of the donations received to some of them were trash and they made an extra trip to the Landfill. Mr. McKeon asked if we could use Grant money to pay for that disposal. Mr. Grappe' stated that we can and from ACT 1333 the grant money that we receive isn't regulated under ADEQ. Mr. Grappe' stated that there is a meeting with Southwest Central District to discuss bringing their trash back to us. Mr. Grappe' stated that our goal this year is to increase the tonnage so that when our 2 years runs out instead of significantly decreasing we will see an increase. Mr. McKeon asked about the drug screening. Mr. Grappe' stated that was for one of the employees and was a condition of his employment. Mr. Erwin asked what he thinks we will see in salary/wages now that we no longer have the recycle center. Mr. Woolbright stated that he believes it will be in the teens now. Mr. Grappe' stated that by the end of the year you will see a significant decrease in all of our cost. Mr. Grappe' stated that we will accommodate the simple salaries, education, and the normal programs we do with organizations such as Benton Matter and Keep America Beautiful. Mr. Walters approved the Financial Statement and Financial Position from January. Mr. McKeon seconded the motion. All were in favor and motion passed with no opposition.

**2013 Audit Presentation-Zeke Jones, CPA:** Mr. Jones stated that on the balance sheet the total cash as of the end of September 30<sup>th</sup> was 2.3 million and the total investments were about 2 million. Mr. Jones stated that there were 4.3 million in unrestricted funds which was a decrease of about \$158,000. Mr. Jones stated that there was an account receivable of \$150,000 which is the Republic quarterly payment. Mr. Jones stated that the total assets were 4.8 million, accounts payable were \$60,000 and that was \$36,000 paid to republic for the sharing program and Rineco had a payment of \$5,000. Mr. Jones stated we had grand advances of \$215,000 that were on the books which left us in a net position of about 2.6 million. Mr. Jones stated that on the income statement that the total operating revenues were about \$665,000 which was an increase of about \$42,000 from the prior year. Mr. Jones stated that the operating expenses were \$811,000 which was an increase of \$240,000 from the prior year. Mr. Jones stated that various things contributed to the increase that included wages up \$88,000, E-Waste disposal was up \$48,000, HHW was up \$41,000, and then the recycling expenses and contract labor were up \$100,000 combined. Mr. Jones stated that professional fees went down by about \$85,000 from the prior year. Mr. Jones

stated that in 2012 we had paid money for recycling center study. Mr. Jones stated that we ended up with a net loss of \$146,000 of operating loss. Mr. Jones stated that the investment return was down of about \$80,000. Mr. Jones stated that it is mainly invested in bonds and from his understanding when the Stock Market goes up the Bonds go down and the fair market of the bonds decreased and interest rates go up at that point. Mr. Jones stated that the total loss for the year was \$224,000. Mr. Jones stated that on the cash flow statement it showed we had a purchase of capital assets of \$11,000 which were purchases of recycling trailers throughout the year. Mr. Jones stated that in our notes we had to make a note of the restricted funds and that we had \$215,000 that was restricted for the use of the Recycling Grants and there is also a note about the Investments and what makes up the investment return of -\$80,000 which was about \$47,000 in interest and an unrealized loss of \$188,000 on those bonds. Mr. Jones stated that there is a note for grant advances which ADEQ wants to see. Mr. Jones stated that there is a commitment note for the lease of the office that is good until 2016 for \$350 a month. Mr. Jones stated that they had to add another related party this year. Mr. Jones stated that there is a company that is owned by a Board members spouse for promotional materials which is done through a bidding process and Mr. Grappe's brother is paid for maintenance for vehicles that totaled \$600 for the year. Mr. Jones stated that they issue a report for Internal Control and compliance which was an unmodified opinion. Mr. McKeon asked if we are required to file the report with the legislative audit. The question was answered with yes. Mr. Jones stated that he did want to recommend that the Board look into investing into a CD because there is a lot of money in interest bearing accounts and there has been a lot of expenditures. Mr. Erwin made a motion to move the acceptance of the Financial Audit to the Agenda for next month. Mr. Walters seconded the motion. All were in favor and motion passed with no opposition.

**Inter-District Tire Update-Stacy Edwards:** Ms. Dunn stated that Ms. Edwards sent us the report for the Inter District tire program. Mayor Arey stated that the Tire Board did approve Saline County for another trailer in Benton. Judge Fite stated that it was his understanding that there would need to be a contract with Inter-District to pay for the tires. Mayor Arey stated that the Board felt like they would need to receive payment for the big tires. Mayor Arey stated that there isn't a fee on the tires like there is on a passenger tire.

**Environmental Officer Update-Shane Knight:** Mr. Knight stated that there were 6 call in reports for dumping. Mr. Knight stated that there were numerous calls for dumping at the black boxes. Mr. Knight stated that there have been extra recycle bins placed at Neeley and Bryant City Hall to help alleviate that. Mr. Knight stated that he is in communication with our contractor to keep those Black Boxes cleaned up. Mr. Knight stated that there are all but two haulers that have been permitted in the County. Mr. Knight stated that right now there are right at 30 haulers in the County. Mr. Knight stated that there are two new haulers that didn't know they needed to be permitted. Mr. Knight stated that residential and commercial haulers are going to put as at 27, and the other are individuals for hire that haul rubbish and construction debris. Mr. McKeon asked if there are any regulation on the size of the name on the side of the vehicle.

Mr. Knight stated that right now there isn't. Mr. Grappe' stated that this year we are making some modifications to the permitting passes for next year.

### **Executive Director Update:**

#### **Recycling Program:**

**Upcoming Events:** Ms. Dunn stated that April 5<sup>th</sup> Benton Matters will be doing a clean-up for the Benton Exits. Ms. Dunn stated that as a District, we will be partnering with Goodwill for a Spring Clean contest. Ms. Dunn stated that we have selected 6 schools and have heard back from 3 schools that will be participating. Ms. Dunn stated that we are going to be doing the coloring book a little different this year where we will focus on the Green Teams. Ms. Dunn stated that they will submit a photo of the students engaging in recycling with their Green Team, at home or at school. Ms. Dunn presented the Board with the new Smarty the Fox video that was produced by the Benton High School Choir. Ms. Dunn stated that she did her first presentation with the video at Angie Grant and the kids were really excited about the video. Ms. Dunn stated that on April 26<sup>th</sup> Keep Bryant Beautiful will be hosting Dumpster Days at First Southern Baptist Church and Grace Church. Ms. Dunn stated that Saline Green is looking to do their Kick-off event on April 24<sup>th</sup> and would like the County Judge and Mayors to attend. Ms. Dunn stated that they will be doing a ribbon cutting for their sustainability in Saline Green. Ms. Dunn stated that Mr. Grappe' has talked before about Saline Green being the umbrella for the different organizations such as Benton Matters, Keep Bryant Beautiful, and L4YN. Ms. Dunn stated that she went to North Carolina and that we are now an award winning District. Ms. Dunn stated that it was a great experience seeing what other counties and cities around the country.

**Advertising Efforts-Tiffany Dunn:** Ms. Dunn stated that our campaign is going really well. Ms. Dunn stated that the radio ads started again this week and have received numerous phone calls about when it is going to start. Ms. Dunn stated that we did have a new billboard go up by Ramsey's, on Military, and another one on Highway 5 by county line. Ms. Dunn stated that we are doing our normal Bryant Daily and Saline County Lifestyles. Ms. Dunn stated that we are looking at doing a campaign with the Saline Courier. Ms. Dunn stated that the billboards will be up until mid-April. Ms. Dunn stated that with the coupon program the people that come in are asking about curbside as well. Ms. Dunn stated that we will be doing the Spring in Saline Home and Garden show giving out the free coupons at the Benton Event Center. Judge Fite asked about a database to log the people that come in. Mr. Grappe' stated that we do have a database with their address, phone number, email, and DL number. Judge Fite stated that he thought it would be a good idea to get Dan Christenson on the Agenda to talk about the Landfill and the improvements they are making. Mr. McKeon stated that he has printed out some copies and giving them out to residents and the court. Ms. Dunn stated that just about every city and county agency has printed the information out about the coupons. Mr. Grappe' stated that he and Ms. Dunn attended a presentation for Channel 4, 16, and 42 where they were trying to sell a year contract for advertising and there were two levels. One was for \$54,000 and the other was

\$30,000. Mr. Grappe' stated that he told them that if we could get it passed the Board and work with Pulaski District we would look into pursuing it. Mr. Grappe' stated that Pulaski District said no way they don't have the money so he will end the process.

**Recycle Center Labor Update:** Mr. Knight stated that the January Recycling report closes everything out. Mr. Knight stated that labor for the District was \$10,045.25, Labor Finders was \$3,480.56 and the total labor for January Labor cost was \$13,525.81. Mr. Knight stated that the severance package was for the three employees and what he did was carry that down to the bottom with the close out costs.

**EO Update:** Mr. Grappe' stated that he has met with John Roberts from Regional Recycling. Mr. Grappe' stated that Pulaski District is very interested in sharing our Environmental Officer and splitting the cost. Mr. Grappe stated that he would be responsible for reporting to Pulaski District and Saline County. Mr. Grappe' stated that he is negotiating with them and should have a final contract by next month for the Boards approval.

**Miscellaneous:** Mr. Grappe' stated that he did discuss with Mr. Roberts about sharing some resources. Mr. Grappe' stated that one of the things that we talked about was sharing Smarty. Mr. Grappe' stated that we have a meeting with Pulaski District on the 27<sup>th</sup> to discuss different opportunities with advertising and programs such as mattresses. Mr. Grappe' stated that he is serving as Chairman on the Board for KARMA. Mr. Grappe' stated that he has been contacted by MSW about an article about our view of Zero Waste sustainability. Mr. Grappe' stated that he has two different proposals for the barn on Neeley Street. Mr. Grappe' stated that one is for \$2,000 that said they will come take what they want and leave the rest there and the other one is for \$4,000 that will come haul and clean it all up. Mr. Grappe' asked the Board if they would like to pay to get this area cleaned up. Mr. Grappe' stated that we have ran this in the paper twice and back in November he received one but then his wife told him he couldn't do the clean-up. Mr. Grappe' stated that the guy with \$2,000 bid re-contacted him and the other bid came earlier in the week. Judge Fite asked if the person was putting the materials in the landfill at the \$4,000 price. Mr. Grappe' stated that he will check to make sure that the \$4,000 includes the landfill price for dumping. Judge Fite said that it would be good to remove the building. Mr. Erwin made a motion to accept the \$4,000 bid to remove the building from Neeley Street. Dr. Brashears seconded the motion. All were in favor and motion passed with no opposition.

Judge Fite asked if South Central does start dumping at the landfill if we know what the tonnage will be per year or per month. Mr. Grappe' stated that we don't yet but according to Dan it would take us to the same level of the royalty fee that the landfill is paying us. Mr. Grappe' stated that the contract would be for 4-7 years. Mr. Grappe' stated that South Central did a bid last year and they used Waste Management numbers to evaluate the bidders. Mr. Grappe' stated that Republic lost the bid by a nickel and the District has been unhappy and has complained several times about the contract. Mr. Grappe' stated that Waste Management gave the baseline of getting the truck through the gate and into the landfill as 30 minutes and has been typically

taking an hour and a half. Mr. Grappe' stated that the cost has already increased because of transportation cost. Mr. Grappe' stated that the Board is meeting and talking about excluding the current contract holder from bidding. There was some general discussion about the contract with Waste Management and the Southwest District. Mr. Grappe' stated that Republic is being aggressive in buying companies. Mr. Grappe' stated that Republic has currently bought Terry's Waste commercial business. Mr. Grappe' stated that the old landfill in NLR has been leaking Leachate and there will be a significant impact from that.

**Old Business:**

- A. Mid Ark Status- Mr. Gibson stated that we have collected all sums due and dismissed the litigation and provided the necessary paperwork for that. Mr. Gibson stated that Republic is now the new owners of Mid Ark.

**New Business:** Mr. Grappe' stated that he has two items for new business. Mr. Grappe' stated that he would like to modify the waste hauler permits for the future. Mr. Walters made a motion to table this discussion of modifying the permits until brought back. Mr. Erwin seconded the motion. All were in favor and motion passed with no opposition.

Mr. Grappe' stated that all of our trailers and equipment has temporarily been located at Bin There Dump That for storage. Mr. Grappe' stated that the long range plan is to get rid of them. Mr. Grappe' stated that with the alley cats we will look at other Districts that need them. Mr. Grappe' stated that the utility trailers we will keep for the clean-ups we do with the different organizations. There was some general discussion about the use of the equipment and how to get rid of that because they were bought with grants. Mr. Erwin asked who came up with the concept of Smarty the Fox and suggest that we need to trademark him. Mr. Grappe' stated that he has a meeting with the District Attorney and that could be an item of discussion. Mr. Grappe' stated that with the coupon program it is bringing in constant traffic and putting a strain on the man power so starting next month we are going to offer the coupons on Tuesday and Thursday and have office help on those days. There was some general discussion about the process of the coupon program and suggestions on how to do the program for next year. Mr. Grappe' stated that we have issued 800 coupons and 100 has been redeemed. Mr. Grappe' stated that he will have a meeting with the Department of Health and Republic about their waste.

**Public Comments:** No public comments.

Mr. Walters made a motion to adjourn. Bob McKeon seconded the motion. All were in favor and motion passed with no opposition.